IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 605 OF 1998

The Commissioner of Income-tax. ... Applicant.
V/s.
M/s.Mogul Lines Ltd., Bombay. ... Respondent.

A.S.Rao for the Applicant.

J.J.Mehta for the respondent.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 29th March, 2005.

P.C. :

. Heard learned counsel for the applicant.

The tribunal has referred following question for the

opinion of this Court:

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the expenditure incurred by the assessee, a shipping company resident in India, for making payment of salary & providing perquisites to its floating staff while working aboard its ships outside the Indian territorial matters, were to be construed as expenditure incurred in relation to employees in respect of their employment outside India within the meaning of section 40A(5)(b)(1), Income-tax Act, 1961?"

2. The above question has already been answered by the Division Bench of this Court in the case of **C.I.T. v. Indo Oceanic Ship Co.Ltd.**, (2001) 247 ITR 247 (Bom) in favour of the assessee and against the revenue. In this view of the matter, the question referred is answered in affirmative.

. Reference stands disposed of accordingly with no order as to costs.